

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: February 21, 2008

Bill Number: H.B. 4039

Author: Talley

Committee Requesting Impact: House Ways & Means Committee

Bill Summary

A bill to amend Section 12-6-1140, as amended, of the Code of Laws of South Carolina, 1976, relating to deductions from individual taxable income, so as to allow a deduction for a volunteer law enforcement chaplain in an amount not to exceed the lesser of the Board of Economic Advisors' certified estimate required pursuant to this Section or three thousand dollars.

REVENUE IMPACT ^{1/}

Explanation

This bill is expected to reduce General Fund individual income tax revenue by an estimated \$12,702 in FY2007-08.

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This bill would amend Section 12-6-1140(10) by allowing an individual serving as a "volunteer advanced state constable" a \$3,000 individual income tax deduction. Volunteer advanced state constables are appointed by the Governor and serve without compensation to assist in the detection of crime and the enforcement of any criminal laws of this State. Volunteer advanced state constables possess more law enforcement responsibilities than a volunteer state constable. All constables appointed are required to furnish evidence that they are knowledgeable of the duties and responsibilities of a law enforcement officer, and are required to take training as may be prescribed by the Chief of the State Law Enforcement Division (SLED). This bill would waive the requirement of satisfying a minimum number of points pursuant to Section 23-9-190 to qualify for the tax deduction. According to SLED, there are currently 73 volunteer advanced state constables. Multiplying 73 volunteer advanced state constables by a \$3,000 income tax deduction and applying an average tax rate of 5.8 percent would reduce General Fund individual income tax revenue by an estimated \$12,702 in FY2008-09. This individual income tax deduction would apply to tax years beginning with 2008.

/s/ WILLIAM C. GILLESPIE, PH.D.

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.